

State of the Crisis, 2001

A report on housing and homelessness in Canada

National Housing and Homelessness Network

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Full funding for a new national housing program

As federal, provincial and territorial housing ministers meet for a special housing summit on November 29 and 30, 2001, in Quebec City, the National Housing and Homelessness Network and our partners across the country has prepared this report on the state of Canada's nation-wide housing crisis and homelessness disaster.

We ask the Ministers to take note that:

- the latest figures from Canada Mortgage and Housing Corporation **confirm the depths of the nation-wide crisis** (see chapter 2);
- the **nation-wide housing crisis is growing worse** (see chapter 3);
- the **nation-wide homelessness disaster is more severe** (see chapter 4);
- the history of government-funded initiatives shows that **expensive private sector programs have failed to produce low-cost housing** (see chapter 5); and,
- the current crisis is caused by the **withdrawal of the federal and most provincial governments from funding new social housing** (see chapter 6).

The National Housing and Homelessness Network and our partners across the country welcome the federal promise to spend \$170 million a year over four years as a **welcome first step** towards a fully-funded national housing program. We **congratulate the Government of Quebec** for committing its share of this new program in its most recent provincial budget.

We call on the Ministers to:

- **immediately commit** the federal money to new social housing projects;
- **make sure all provinces and territories follow the lead of Quebec in providing matching funds**, to double the amount of new money available for social housing;
- make sure that the **program guidelines target the new funding most effectively** to build desperately-needed new housing for low, moderate and middle-income renter households through the creation of new non-profit and co-operative housing; and,
- take the next step towards a fully-funded national housing program by committing to the One Percent Solution, which calls for the **federal government to spend \$2 billion in new social housing funding annually, with a matching amount from provincial and territorial governments**.

Rising rents, dwindling supply

For the second year in a row, Canada Mortgage and Housing Corporation's annual rental market survey has set the dubious record of being the worst ever since the agency started its current system of measurement in 1987.

For full details, see tables 1 and 2.

The numbers confirm that rental vacancy rates are falling to critically low levels across the country. These rates, which measure the number of vacant units, are a key measure of the health of a rental market.

Not only is the overall rental rate of 1.1% for Canada well below the healthy rate of 3.0%, but nine of the country's 26 metropolitan have rates at or below 1%. Only five of the 26 regions have rental rates that are in the healthy zone.

At the same time, rents have risen in every metropolitan region across the country, including those areas with healthy vacancy rates. Rising rents means that the cost of existing housing is moving out of the reach of low and moderate income tenants.

Toronto has broken the \$1,000 rent ceiling with the average rent for a two-bedroom apartment. The median household income in Toronto is \$27,039 – which means half the renter households in the city have less than \$750 per month to afford to pay for rent.

Victoria, with a rental vacancy rate of 0.5%, has the worst rental market in the country. Edmonton has posted the biggest annual rent increase at 8.7%.

Nation-wide housing crisis

“Rising rents dramatically outpaced tenant incomes in the early- to mid-1990s, and this trend is likely to continue. The rising demand for rental housing, coupled with changes in rent legislation and little new supply, are causing sharp rent increases. . . As recently as 1996, units in Toronto renting for less than \$800 per month amounted to more than two-thirds of all units. . . They now make up only one-third of the total.”

City of Toronto Report Card on Homelessness 2001

Rising rents, stagnant and falling incomes, dwindling supply of affordable units – this is the crisis facing the 4.8 million renter households in Canada. More than 13 million women, men and children live in renter households, about 40% of the Canadian population.

Growing poverty is a factor for a growing number of renter households. Almost one-in-five tenant households are on the brink of homelessness, paying 50% or more of their monthly income on rent. More than one-in-three tenant households are paying more than 30% of their income on rent, which pushes them into the “unaffordable” category.

In October of 2001, Statistics Canada reported that the gap between rich and poor in Canada has surged to a 25-year-high. Most of the growing number of poor are renters.

In 1984, the median income for renter households was \$21,554, about half the \$41,380 median income for owner households. By 1999, the median income for renter households had dropped by 3% to \$20,947, while owner incomes increased 5% to \$43,478. The gap between owners and tenants has grown to 208%.

With half of the country’s tenant population having less than \$21,000 in income, this leaves 2.4 million tenant households with less than \$580 per month that they can afford to pay for rent. In the year 2000, only 24 of the country’s 57 metropolitan and large urban areas had average rents of \$580 or less.

Seniors, older women, single moms, Aboriginal people. All these face a disproportionately high share of housing distress.

According to Statistics Canada, 50% of all single seniors are renters and of these, 39% are older women living on annual incomes of \$12,500. They can only afford a monthly rent of about \$350. A recent report on mid-life and older women found:

“Those women who participated in the Housing Factor Project span ages from mid-forties to over ninety years of age. There are almost as many women under the age of sixty-five as over. They come from a number of linguistic, cultural and geographical groups, some living in cities, some in villages or town, and some on reserves and in rural areas. They live with diverse circumstances, privileges and needs. And they have a great deal in common. The findings of the Housing Factor Project indicate a number of significant and disturbing factors about housing for mid-life and older women in [Hamilton, Ottawa, Parry Sound, Toronto, Tweed]. Overwhelmingly the women want the option of aging in place, not only in their own homes but also in their own communities. Financial concerns dominate all others in relation to availability of housing. In addition mid-life and older women fear increasing frailty and loss of health with very little evidence of services that will be available to them in order for them to stay in their own home.”

The Housing Factor Project, Older Women's Network, 2000

The Children's Aid Society of Toronto (CAST) and the University of Toronto's Centre for Urban and Community Studies released a study in November of 2001 showing that the housing crisis was a factor in one-in-five cases of children admitted to the society's care:

“In one of five cases, the family's housing situation was a factor that resulted in temporary placement of a child into care. . . The number of children admitted to care where housing was a factor increased by about 60% over the eight-year period: from about 290 children in 1992 to about 450 in 2000. . . The approximately 450 cases in which housing was a factor in the admission to care during 2000 cost Children's Aid Society of Toronto about \$18 million.”

One in Five. . . Housing as a Factor in the Admission of Children to Care, CAST, 2001

Rising rents set against stagnant or declining incomes means that tenants have an increasing difficulty paying the rent. And a growing number of tenant households are facing economic eviction. In Ontario during the year 2000, 54,000 tenant households were faced eviction because they could not pay the rent.

Even during the holiday season, the evictions continued at a high pace:

Joseph's landlord applied to evict him the day after Christmas for \$37.99. Joseph has been living in his west-end Toronto apartment for 15 years and is in dispute with his landlord over how much rent he should be paying. Joseph M is

one of 1,948 tenants whose landlord applied to evict during twelve days of Christmas. Considering the Ontario Rental Housing Tribunal's offices were closed for six days in that period, we're looking at 325 eviction applications a day during the peace and goodwill season.

Centre for Equality Rights in Accommodation, December 2000

About 40,000 renter households faced eviction in Quebec during the year 2000.

“Non-conventional” private rental housing

Some politicians say that, while the conventional private rental market is sinking into crisis, tenant households can find relief in the so-called non-conventional market, which includes rented condominiums, accessory apartments (including illegal units) and tenant-occupied single, semi and row dwellings.

Canada Mortgage and Housing Corporation and the Ontario Ministry of Municipal Affairs and Housing funded a detailed study by the Starr Group in 2000, which examined the secondary rental market in Ontario. The study found that non-conventional housing comprises a large portion of the overall rental market. For instance, in the suburban area around Toronto, more than 70% of the rental market is in secondary units.

Three key findings of the CMHC-MAH study:

This review, however, cautions that most forms of secondary rental housing are highly elastic; that is, their availability depends heavily on overall economic and real estate conditions and therefore they cannot be counted on as a long-term permanent supply. Indeed, our analysis shows that the supply of various forms of secondary rental housing in many communities has declined significantly at various times. Accordingly, security of tenure is an important issue that must be addressed in any policy aimed at encouraging expansion of secondary rental housing.

The market analysis finds that most forms of secondary rental housing have not been growing in most communities. Condominium rentals, in particular, have been declining as more owner-occupants move into the condominium market. . .

Because of the lack of expansion of these markets, vacancy rates for such forms of housing are quite low in most centres. Rents for most forms of

secondary rental housing have been rising sharply in most areas, consistent with the low vacancy rates in both the secondary and conventional markets. Even the most affordable forms of secondary rental housing, accessory apartments, units over stores and duplexes/triplexes are increasingly moving out of reach of those at the lower end of the income scale, especially those on social assistance or working at minimum wage.

Secondary Rental Market Study, The Starr Group, 2000

A coast-to-coast snapshot of the housing crisis

Victoria:

One in ten households in Victoria earn less than \$10,000 annually. They can only afford monthly rents of \$277. The average rent for a two-bedroom apartment in Victoria is \$731.

Vancouver:

An estimated 13,000 households are on the social housing waiting lists in Greater Vancouver. Almost one-quarter of tenant households, more than 66,200 households, are paying 50% or more of their income on rent. During the 1990s, about 1,200 single room occupancy units were lost, mostly in the downtown eastside. About 700 social housing units for singles were built, leaving a net loss of about 500 units.

Edmonton:

More than 2,400 people are on the waiting list for affordable housing in Edmonton. Almost 21,000 households were spending more than 50% of their income on rent in 1995, a total of 18.5% of renter households. The rental vacancy rate in Edmonton has dropped from a high of more than 10% in 1995 to a critically low 1.4% in 2000. The city has lost more than 1,800 rental housing units since 1990.

Calgary:

More than 17,700 households paid more than half their monthly income on rents in 1995, a total of 16.9% of renter households. The city is losing rental units much faster than they are being built. About 3,500 rental units were converted to condominium from 1995 to 1998. There are more than 3,000 people on social housing waiting lists.

Regina:

There were 621 households on the local waiting list in 1999. One-in-five tenant households, a total of more than 5,000 households, are spending more than half their monthly income on rent.

Saskatoon:

In 1998, there were 1,600 households on the waiting list for social housing, an increase of 9% from 1996. More than 7,100 tenant households are paying more than half their monthly income on rent. In 1996, 304 government-subsidized low-income units were bought by realty companies in 1996 and rents have increased an average of 45%

Winnipeg:

In 1999, there were more than 2,000 households on the social housing waiting list, an increase of 40% since 1993. Rental housing losses, especially in the inner city, are increasing. In 1998 alone, 123 single family dwellings were demolished. About 70% of Aboriginal households have severe affordability problems.

London:

Average rents in London increased by 25% between 1989 and 1999. Between 1992 and 1998, renter household incomes decreased by 11%. There were 1,156 households on the social housing waiting list in 1999. The London Housing Registry was only able to find homes for 438 households in 1998, only half of the agency's 869 client households. Almost one-quarter of tenant households are on the brink of homelessness, paying 50% or more of their income on housing.

Kitchener:

There are more than 3,800 households on the Waterloo Region social housing waiting list. Fully 56% are families with children. One-in-five tenant households are paying 50% or more of their income on housing, a total of 10,225 households. Between 1994 and 1998, 682 rental units were converted to condominium or demolished, far more than the number of new rental units built.

Guelph:

From Jan. 1999 to Aug. 2001, a total of 2,269 households applied for social housing units in Guelph, but only 13 were placed.

Toronto:

The social housing waiting list in November 2000 included 20,364 single adults, 30,563 families and 12,183 seniors – a total of 63,000 households. Applicants are told that the wait for a unit could be from 12 to 19 years. The handful of new rental units that have been offered in recent years have had monthly rents ranging from \$1,375 to \$2,750.

Kingston:

The number of people on social housing waiting lists has risen by 66% from 1992 to 1998.

Ottawa:

The social housing waiting list has grown from 8,575 households in 1993 to 15,000 households in 1998. There were 5,500 new applications in 1998 alone. Ottawa has the worst rental housing market in the country, with the tightest rental vacancy rate (0.2%) and the highest annual increase in rents (12% in one year only from 1999 to 2000). About 1,740 rental units were taken off the market from 1996 to 1998, many times the amount of new rental housing that was built.

Montreal:

One-in-four tenant households in Montreal – a total of 163,415 households – are paying 50% or more of their income on rents. That is an increase of 43% from 1990 to 1995.

St. John's:

One in four tenant households in St. John's are spending more than half their monthly income on rents. This is a total of 4,655 households. About 300 rental units have been converted to condominium since 1997, reducing the overall rental housing stock.

Canada's homelessness disaster

We call on all levels of government to declare homelessness a national disaster requiring emergency humanitarian relief. We urge that they immediately develop and implement a National Homelessness Relief and Prevention Strategy using disaster relief funds both to provide the homeless with immediate health protection and housing and to prevent further homelessness.

State of Emergency Declaration, October 1998

In November of 1998, the mayors of Canada's biggest cities (the Big City Mayors Caucus of the Federation of Canadian Municipalities) passed a resolution to declare homelessness is a national disaster. The decision came just one month after the Toronto Disaster Relief Committee, a group of homeless people and housing advocates, issued its State of Emergency Declaration.

Homelessness has grown so bad in Canada that it fully meets the definition of a national disaster.

There are no consistent national or provincial measures of the homeless. Some counts include only those who stay in shelters, and exclude those on the streets. Others exclude residents of shelters for abused women. Short-term programs, sometimes called Out of the Cold or In from the Cold, which use church basements and community centres are sometimes left out.

A large percentage of the homeless in urban, rural and remote areas are Aboriginal people. Housing conditions on First Nations reserves are often bad, but life in Canada's cities offers little relief:

“Aboriginal people are over-represented in Canada's homeless population by a factor of about 10. Individuals of Aboriginal origin account for 35% of the homeless population in Edmonton, 18% in Calgary, 11% in Vancouver, and 5% in Toronto, but only 3.8%, 1.9%, 1.7% and 0.4% of the general populations in those cities respectively. A disproportionate number of homeless people who sleep on the street rather than in shelters are of Aboriginal origin.”

Dr. Stephen Hwang, Homelessness and Health, January 2001

Most experts agree that at least 250,000 people will experience homelessness during the course of a year. A comparison of hostels in just seven Canadian cities shows the number of bed nights occupied by homeless people over the course of the year doubled from 1.4 million in 1987 to 2.4 million in 1999 (see table 3). The Canadian Press reported on June 11, 2000:

TORONTO -- Tonight, more homeless people per capita will sleep on the streets and in the shelters of Toronto than in several major U.S. cities. In fact, statistics show that homelessness in Canada's largest urban centre is comparable to levels in New York City, long considered the homeless capital of North America. About 75,000 people used municipal shelters last year in the Big Apple, an analysis of data provided by the city reveals. By contrast, 28,800 people used emergency shelters in Toronto in 1998, the city's current Report Card on Homelessness shows. Once population differences are taken into account, the percentage of people in Toronto using shelters is actually 15.8 per cent higher than in New York.

But not every homeless person ends on the streets. The Regional Municipality of Sudbury released a study in October of 2000 which identified 407 homeless people. There were only 68 beds in shelters, so most of the homeless were left on the streets or “couch-surfing” with friends or relatives.

The study also reported that the most frequent cause of homelessness in Sudbury was related to lack of employment, followed by problems with social assistance (in particular, inadequate welfare payments), a lack of affordable housing, and domestic violence.

“Homelessness affects tens of thousands of Canadians and has important health implications. Homeless people are at increased risk of dying prematurely and suffer from a wide range of health problems, including seizures, chronic obstructive pulmonary disease, musculoskeletal disorders, tuberculosis, and skin and foot problems. Homeless people also face significant barriers that impair their access to health care.”

Dr. Stephen Hwang, Homelessness and Health, January 2001

Homelessness is not only costly to the children, women and men who are caught without shelter, but there is a significant public cost. A recent study by the Government of British Columbia found that the cost of health and social services, policing and crisis centres for homeless people ranged from \$30,000 to \$40,000. The

costs for those who moved into government-supported housing dropped to \$22,000 to \$28,000. The study found:

“The literature demonstrates that there is a strong relationship between homelessness and the health care, social services and criminal justice systems. People who do not have safe, secure, affordable shelter have more health problems than the general population, experience social problems that may be exacerbated by their lack of shelter, and are more likely to become involved in criminal activity than the general public. This tends to result in greater use of some services by the homeless, particularly hospital emergency services, shelters and correctional institutions, in terms of frequency and length of use. Some specific sub-groups of the homeless, such as those with mental illness, are even more likely to be involved with the health care, social services and criminal justice systems. . . Research confirms (though the number of studies is limited) that preventive measures are more cost-effective than the status quo. Issues arising from homelessness are more costly to deal with after the fact than if homelessness were prevented in the first place. It is essentially a problem of ‘pay now or pay **more** later.’”

Homelessness – causes and effects, Government of British Columbia, 2001

A coast-to-coast snapshot of homelessness

Vancouver:

At least 600 people sleep outside every night in Vancouver, more than the 400 who sleep in the city’s shelters. The number of people sleeping on the floor on mats (because there are no beds) at one shelter tripled by 3,887 in 1995 to 10,758 in 1998.

Edmonton:

A municipal count in 1999 found 836 people were homeless that night – 523 in the shelters and 313 on the streets. With only 511 beds in the hostel system, the occupancy rate was 102%. That night, 113 people were turned away because there was no more room. In addition, 32 people were discharged that day by hospitals or prisons onto the streets, with no place to live. Current estimates are that more than 1,200 people are homeless every night. Shelters for abused women, operating at capacity, turned away 3,000 families in 1997.

Calgary:

A municipal count of homeless people in Calgary on May 21, 1998, found 998 homeless people in shelters, an increase of 121% from 1992. Most shelters were full that day, with some over capacity. One hundred people were turned away.

Saskatoon:

A total of 6,700 people stayed in city shelters in 1998. About 68% were Aboriginal. About 28% were children.

Parry Sound:

Families in Parry Sound sleep in cars and call this home. Homeless people in the community “couch-surf” (go from friend to friend) in order to have shelter.

Gravenhurst:

The area’s only homeless shelter has been full every night since opening last year.

Barrie:

There were 8,491 bed-nights at homeless shelters in Barrie in 1998, an increase of 1,235% from 1994.

London:

An average of 400 households used London’s three emergency shelters in 1998, an increase of 13% since 1995.

Cambridge:

Homeless shelters in Cambridge and throughout the Waterloo Region were entirely full during the past winter. One youth shelter in Cambridge was so full that it started a waiting list. The Out-of-the-Cold program, which offers temporary shelter, has seen a 20% to 30% increase every year since it was started four years ago.

Toronto:

More than 30,000 people stayed in hostels in 1999. The biggest increase was among two-parent families. Toronto has a shortfall of about 1,000 hostel beds. Many shelters do not meet the basic United Nations standards for refugee camps. Death rates for young homeless men are 8.3 times higher than the general population of young men. More than 100 unclaimed bodies were buried by city officials last year, most of them homeless. The Toronto Disaster Relief Committee recorded 39 confirmed deaths of homeless people last year.

Peel Region:

There were 28,403 bed-nights at homeless shelters in 1998, a 41% increase from 1994. The number of families staying in a motel, because there was no room in the hostel system, grew from 351 in 1997 to 689 in 1998.

Peterborough:

There were 3,762 bed-nights at homeless shelters in Peterborough in 1998, an increase of 98% from 1994.

Kingston:

Emergency shelter use rose by 210% from 1998 to 2000.

Ottawa:

Homeless families required 71% more shelter bed nights from January to June of this year than during the same period in 2000.

Montreal:

An estimated 8,250 people use homeless shelters in Montreal. About 380 are under the age of 18. Current estimates are between 10,000 and 15,000 homeless people overall in the city. Death rates among street youth in Montreal are nine times higher for males and 31 times higher for females than in the general youth population of Quebec.

Quebec City:

An estimated 2,118 people use homeless shelters in Quebec City. About 250 are under the age of 18.

Saint John:

A van that provides meals for the homeless helped 126 times during the first two weeks of November, 2001, compared to 171 times during the entire month of November last year.

Charlottetown:

According to a recent, “conservative” survey, there are at least 268 homeless people in Charlottetown. This includes 20 women with children, 52 youth and 18 Aboriginal people. Nearby Summerside has another 65 homeless people.

Halifax:

During three years in the late 1990s, a total of 14 homeless women died on the streets of Halifax.

St. John's:

“Hidden homelessness” is a major problem in St. John's. There are a large number of people living in substandard, inadequate and unaffordable boarding and lodging houses.

Private sector rental housing programs

The federal government and the provincial government in Ontario have tried a number of private sector housing programs since the late 1940s. In almost every program, there has been a huge public subsidy that ended up creating mostly high-end rental housing. Despite public expenditures of more than \$3 billion, none of the programs created long-term security for renter households.

The pattern is clear. The big expensive programs produced expensive private rental units. Those programs with tight rent restrictions – such as Renterprise in Ontario – weren't able to attract private developers, which could get a bigger return for their investment dollars in condominiums.

The private sector is willing to take government money, but it has been unable to deliver affordable rental housing. Private sector programs have been the least regulated housing programs put in place by senior levels of government. They have produced the fewest benefits to low-income households.

A brief history:

Limited Dividend Program (1946 to 1975) created 101,300 units that were, initially, moderately priced. But, over time, rents were allowed to rise beyond those affordable to low-income tenant households.

Multiple Unit Residential Building – MURB (1974 to 1981) created 195,000 units at an estimated cost to taxpayers of \$2.4 billion. There were no rent restrictions, so rents tended to be at the upper end of the market.

Assisted Rental Program (1975) created 122,650 private rental units at a cost of \$300 million. The federal government provided grants or loans to private landlords with no restrictions or requirements on rents. An early study of the program showed that in Toronto, average ARP rents were 32% higher than average market rents.

Canada Rental Supply Plan (1981) cost taxpayers \$258.5 million (including the subsequent Canada/Ontario Rental Supply Program). Under the terms of the program, up to one-third of the units were to be offered to provincial governments or local housing authorities for rent-geared-to-income housing for low-income households. Authorities had 45 days to “take-up” the offer. Of the 24,667 units funded across Canada, only 1,526 (6.2%) were taken up as RGI. For CORSP, 2,675 units were funded, but only 474 RGI units (18%) were taken up.

A dramatic example of the high cost, and lack of benefits, under the CRSP program was a private building on Bay Street in downtown Toronto built in 1985/86. The private building was supposed to offer as many as one-third of the units for low-income households, but none were in fact used. More than half the tenants had incomes of \$50,000 annually, which was double the median income of Toronto tenants at the time. Two and one-half years after occupancy, the building was converted into a limited partnership. The average rents at 1985/86 were \$1,118 for the rental building. Value of tax expenditures was \$2,429 per unit in 1985 for rental building. By 1992, the estimated value of taxpayer expenditures was \$8,271 for the rental building.

Ontario Rental Construction Loans program (Ontario, 1981) cost taxpayers \$75 million for 15-year interest free loans to private landlords with no restrictions on rents. Landlords were supposed to offer up to 20% of units to local housing authorities for RGI. Of the total of 14,540 units produced, with only 1,029 (7.3%) were set aside for RGI.

Convert-to-rent (Ontario, 1983), produced 11,900 units in Ontario with a wide range of rents (monthly rents for one-bedroom ranged from \$400 to \$900 and from \$650 to \$1,250 for two-bedroom). The rents were all well above market rents, and not affordable to low-income households.

Renterprise (Ontario, 1985) cost a modest \$15.4 million and had the goal of building 5,000 new private rental units. Target market rents were established and many developers withdrew Renterprise applications in favour of condominiums. Only 2,176 units were built.

A 1997 study funded by Canada Mortgage and Housing Corporation that compared the long-term costs and benefits of private sector and social housing projects, found that the cost to taxpayers of subsidizing co-op and non-profit projects was far less than the cost of subsidizing private developers and landlords. Ekos Research, which carried out the study, found that in year 25, the social housing projects cost taxpayers \$800,000 less than the private rental projects. An excerpt from their study:

In all ten comparisons, the non-profit break-even rents started out higher than private rents but then rose more slowly than market rents. In nine of the ten cases, the non-profit rents crossed below market between the fourth and eighteenth year of operation. Assessing the resulting subsidy costs for comparable households (based on the use of a consistent 30 percent RGI

scale), the study found that, over the past two decades, the non-profit vehicle has been the most effective vehicle in nine of the ten cases. On average, over time it is less expensive to subsidize households in non-profit projects. For example, in year 25 the estimated average subsidy of a non-profit unit compared to the estimated subsidy for a market unit is some \$20,000 a year less. . . Since the ten projects have a total of some 400 units, the total savings in year 25 for these projects alone would be some \$800,000. . . Where there are tight rental markets (i.e., extremely low vacancy rates) and governments wish to address supply issues at the same time as they address issues of housing need, non-profit projects can be more cost effective than subsidizing the construction of comparable market units and renting units from a private landlord.

Cost-effective housing, Ekos Research Associates, 1997

A study released by Canada Mortgage and Housing Corporation in October of 2001 reports that “landlord-investors” are not interested in renting to low-income households, since there is relatively little return to be made on their investment. The study reports that:

In exploring landlord attitudes about the need for affordable housing to serve lower-income tenants, landlords-investors did not contest the legitimacy of social housing and a direct government role in the provision of affordable housing. Many expressed interest in demand-side approaches such as shelter allowance and rent supplements. However, they also saw the need for social housing, particularly to house households on low income and those on social assistance, whom some preferred not to accommodate.

Residualization of rental tenure, CMHC, October 2001

The solution: Restore funding for social housing

The federal government has abandoned its responsibilities with regards to housing problems. . . The housing crisis is growing at an alarming rate and the government sits there and does nothing; it refuses to apply the urgent measures that are required to reverse this deteriorating situation. . . The federal government's role would be that of a partner working with other levels of government, and private and public housing groups. But leadership must come from one source; and a national vision requires some national direction.

Paul Martin, MP, Liberal Task Force on Housing, 1990

The private sector is unable and unwilling to build sufficient affordable housing to meet the growing needs of low-income households. Voluntary groups, such as Habitat for Humanity, play an important role, but they too are unable to build in sufficient quantity. This year, Habitat for Humanity will build about 200 houses across the country. The group deals with the housing needs of moderate-income households and cannot meet the huge demand for new housing supply.

“It must be accepted that causes of homeless situations described remain to be dealt with, perhaps through agreement and joint action on the part of all levels of Government. The reason that such an initiative must devolve upon Government is that homeless and near-homeless people do not represent an attractive market for private investors and developers, any more than they represent an attractive political market.”

SCPI Community Plan on Homelessness 2001, Charlottetown - Summerside

Changes to the national *Housing Act* in 1973 brought in the first fully-funded co-op and non-profit housing programs in Canada. In introducing the programs, the Minister responsible for housing told the House of Commons:

“Good housing at a reasonable cost is a social right of every citizen of this country. . . [This] must be our objective, our obligation, our goal”.

The federal and several provincial governments funded new social housing over a 20-year period from the mid-1970s to the mid-1990s. This funding helped to create hundreds of thousands of units of good quality, affordable non-profit and co-operative housing, which continues to provide good homes to more than one million Canadians even today. Unlike the private sector programs, which were only able to deliver housing for low and moderate-income households for, at best, a short time, social housing remains affordable forever.

Funding, through provincial and territorial governments and CMHC, the federal housing agency, peaked at approximately \$4 billion annually in 1993/94. Approximately \$2 billion of this funding was allocated through provincial/territorial budgets. The other \$2 billion flowed from federal coffers through CMHC. Since 1993/93, funding for social housing through these sources has declined by \$500,000,000. . . . Approximately \$450,000,000 or 90 percent of the reduction is at the provincial / territorial level, the other \$50,000,000 is from the CMHC budget. The reduction in funding is localized in certain provinces, particularly Newfoundland, Nova Scotia, Alberta and Ontario. In dollar terms, the most significant declines in funding have been in Alberta and Ontario.

Canadian Housing Policy, Prof. Tom Carter, 2000

For more information, see table 4.

Completion of new social housing often exceeded 20,000 units annually in the late '70s and early '80s. By the late '80s, production had fallen to an annual average of just over 12,000 units. In 1998, according to the most recent figures available, less than 2,000 units were produced.

“In the space of approximately fifteen years, Canada has moved from a situation where it had an active and substantive social housing program to the point where it no longer has a national social housing policy.”

Canadian Housing Policy, Prof. Tom Carter, 2000

It is no coincidence that the growth of the nation-wide housing crisis and homelessness disaster parallels the withdrawal of federal and most provincial governments from social housing funding. With no government funding to assist social housing providers create new units, and little new affordable private rental housing, the growing number of low-income households faced an inevitable squeeze.

The Quebec government remains the only province committed to long-term social housing funding. The Quebec program proceeds in partnership with municipalities. British Columbia is “reviewing” its funding for several projects approved by the previous provincial government.

As housing problems have grown worse, municipalities have raised the alarm, and a number have introduced innovative local programs to create new units. These developments have allowed a limited amount of new housing to be built. One of the

most recent initiatives is a \$6.5 million capital fund created by Waterloo Region to create 550 social housing units and an additional 140 rent-geared-to-income housing units in existing buildings. The municipal response is welcome, but cash-strapped local governments cannot assume the entirely financial responsibility for new housing programs – a responsibility abandoned by most senior levels of government.

After considerable political pressure from a variety of groups, including the National Housing and Homelessness Network and its partners across the country, the federal government announced \$753 million in funding for a new homelessness strategy in December of 1999. The money, including the Supporting Community Partnerships Initiative (SCPI), was supposed to go to short-term measures to provide emergency relief for the homeless. Many worthwhile local projects have been funded with the new federal money.

Hard work at the community level has also produced a number of housing projects in St. John's, Halifax, Toronto and elsewhere funded with SCPI, often using a patchwork of funding including municipal and private money. But SCPI is not a housing program and it can't replace the need for a new, fully funded national social housing program.

Economic benefits of social housing

New social housing brings social and economic benefits, along with the homes:

“I want to make the argument, however, that social housing also has benefits – social benefits that have positive direct and indirect economic spin-offs. These benefits accrue to individuals and families and also to society as a whole. If we neglect to provide adequate levels of social housing, society will pay the price through increased costs in other areas. I now want to address a few of the benefits of social housing and illustrate why it is so important to provide adequate levels of housing: poverty alleviation, child poverty, skills development, improved educational opportunities, a healthy environment, privacy and modesty issues, empowerment, neighbourhood stability, community development initiatives, neighbourhood revitalization, stabilizing marginalized households, addressing the needs of Aboriginals/indigenous people, family stability. I could continue, but the preceding comments provide more than enough examples of why we need a strong social housing program.”

Access to Housing: The Social Side, Prof. Tom Carter, 2001

The shared goal of NHHN and many other groups for 20,000 new social housing units and 10,000 renovated units would bring considerable benefits.

A Parliamentary study two years ago found that 20,000 new units would generate 16,200 person-years of employment. The 10,000 renovated units would generate 8,100 person-years.

A study by a consulting firm in 1992 also reported considerable benefits. It found that 20,000 new social housing units would create housing co-ops 15,800 direct person-years (in the construction sector), 10,200 indirect person-years (mainly in construction materials and manufacturing) and 18,200 induced person-years (in many sectors including transportation, communications, utilities, forestry, mining).

The same study found that 10,000 renovated units would generate 7,000 direct person-years, 3,000 indirect person-years and 340 induced person-years of employment.

The author also calculated that 30,000 new units would also generate \$570 million in personal and corporate income taxes

At a time when the Canadian economy, and world economy, appears to be falling into recession, the economic stimulus from a fully-funded national housing program would be considerable.

Aboriginal control of Aboriginal housing

In addition to many general economic and social benefits, off-reserve Aboriginal housing has a particularly strong record of success:

“Together, urban and rural Aboriginal housing institutions are responsible for the management of approximately 19,000 units serving nearly 85,500 individuals. . . Adequate, suitable and affordable housing provided by urban Aboriginal housing institutions have a measurable and profound impact upon the well-being of off-reserve Aboriginal households. Aboriginal tenants indicate that their accommodation contributes to their families stability and access to education. Aboriginal owned and operated housing also helps to preserve and reinforce cultural identity of Aboriginal peoples. Improvement in community morale, identity and self-worth is a central part of the healing process. . . Aboriginal housing institutions have been able to offer more than just a real estate or property management function. . . All foster a sense of community

among their clients. . . At its annual meeting held in Ottawa in April 1998, National Aboriginal Housing Association members passed a Resolution calling the Government to “acknowledge and recognize the Aboriginal control of Aboriginal housing policy of Aboriginal people”. Members further resolved that the NAHA “. . . directors seek the transfer of the Aboriginal housing portfolio to Aboriginal control, to NAHA and its constituent members”.

Halt the Transfer!, NAHA, 1998

Restore federal, provincial, territorial housing funding

The National Housing and Homelessness Network is calling on federal, provincial and territorial governments to adopt the One Percent Solution:

- \$2 billion in new funding for social housing annually by the federal government, and
- \$2 billion in new funding for social housing annually shared among the provincial and territorial governments.

Table 1
Vacancy Rates in Apartment Structures of Three Units and Over
Privately Initiated, in Metropolitan Areas

	1997	1998	1999	2000	2001
Atlantic Region					
St. John's	16.6	15.4	9.2	3.8	2.5
Halifax	7.7	5.5	3.6	3.6	2.8
Saint John	8.27.	3	5.2	3.4	5.6
Quebec Region					
Chicoutimi	4.1	4.8	4.9	4.4	4.4
Hull	9.4	6.7	4.4	1.4	0.6
Montréal	5.9	4.7	3.0	1.5	0.6
Québec	6.6	5.2	3.3	1.6	0.8
Sherbrooke	7.5	7.3	7.6	4.7	2.3
Trois-Rivières	8.6	8.5	7.9	6.8	4.7
Ontario Region					
Hamilton	3.1	3.2	1.9	1.7	1.3
Kitchener	1.9	1.5	1.0	0.7	0.9
London	5.1	4.5	3.5	2.2	1.6
Oshawa	2.4	2.0	1.7	1.7	1.3
Ottawa	4.2	2.1	0.7	0.2	0.8
St. Catharines	5.4	4.6	3.2	2.6	1.9
Sudbury	7.2	9.4	11.1	7.7	5.7
Thunder Bay	7.7	9.3	7.5	5.8	5.8
Toronto	0.8	0.8	0.9	0.6	0.9
Windsor	4.5	4.3	2.7	1.9	2.9
Prairie Region					
Calgary	0.5	0.6	2.8	1.3	1.2
Edmonton	4.6	1.9	2.2	1.4	0.9
Regina	1.5	1.7	1.4	1.4	2.1
Saskatoon	0.9	0.8	0.9	1.7	2.9
Winnipeg	5.9	4.0	3.0	2.0	1.4
British Columbia Region					
Vancouver	1.7	2.7	2.7	1.4	1.0
Victoria	3.5	3.8	3.6	1.8	0.5
Total (1)	4.1	3.4	2.6	1.6	1.1

(1) Weighted average of Metropolitan Areas Surveyed.

Source: CMHC, 2001

Table 2
Weighted Average Rent by Metropolitan Area
Privately Initiated Three Apartment Units and Over

	One-Bedroom		Two-Bedroom	
	2000	2001	2000	2001
Atlantic Region				
St.John's	477	489	552	575
Halifax	539	554	648	673
Saint John	402	406	460	483
Québec Region				
Chicoutimi	363	364	438	439
Hull	457	485	544	573
Montréal	458	480	509	530
Québec	459	473	518	538
Sherbrooke	362	366	437	446
Trois-Rivières	349	358	413	419
Ontario Region				
Hamilton	582	608	719	740
Kitchener	598	615	697	722
London	530	547	657	683
Oshawa	684	692	778	799
Ottawa	723	762	877	914
St.Catharines	545	569	653	680
Sudbury	502	500	619	620
Thunder Bay	527	529	654	657
Toronto	830	866	979	1,027
Windsor	599	618	736	738
Prairie Region				
Calgary	611	649	740	783
Edmonton	489	537	601	654
Regina	461	476	549	568
Saskatoon	442	460	541	558
Winnipeg	473	476	588	605
British Columbia Region				
Vancouver	695	726	890	919
Victoria	579	592	731	751

Source: CMHC, 2001

Table 3 - Homeless shelter usage, 1987 and 1999

(not including overflow, short-term and battered women beds)

Metropolitan area	bed nights 1987	bed nights 1999	per cent increase
Edmonton	400	424	6%
Calgary	331	878	165%
Toronto	1853	4165	126%
Hamilton	153	204	33%
Ottawa	206	556	170%
Montreal	770	1187	54%
Quebec City	118	148	25%
TOTAL – seven cities	3831	7562	97%
Annual bed nights – seven cities	1398315	2760130	97%

Sources: CCSD, 1987; CMJ, 2000

**Table 4 – Spending on housing by Canada,
provinces and territories**

	1993-1994 (\$ millions)	1999-2000 (\$ millions)	Dollar change	Percent change
Newfoundland	18.1	8.0	-10.1	-55.8
Prince Edward Island	2.3	3.2	+0.9	+39.1
Nova Scotia	24.2	14.3	-9.9	-40.9
New Brunswick	32.7	31.8	-0.9	-2.8
Quebec	286.3	288.3	+2	+0.7
Ontario	1,140.9	837.1	-303.8	-26.6
Manitoba	46.6	43.2	-3.4	-7.3
Saskatchewan	43.1	40.5	-2.6	-6.0
Alberta	287.3	93.2	-194.1	-67.6
British Columbia	83.4	90.9	+7.5	+9.0
NWT / Nunavut	69.7	114.4	+44.7	+64.1
Yukon	4.9	11.1	+6.2	+126.5
Total – provinces, territories	2,039.5	1,576.0	-463.5	-22.7
Canada (CMHC)	1,944.9	1,927.9	-17	-0.9
Total – all Canada	3,984.4	3,503.9	-480.5	-12.1

Source: CMHC, 2001